

POLICY STATEMENT ON ECONOMIC INTERACTION WITHIN THE CO-OPERATIVE SECTOR

The Ministerial Council on Future Directions for Co-operatives comprises approximately 20 sector representatives and 11 Government Departments. The Council is examining the future operations of the co-operative movement in terms of legislation, education, economic interaction, research and statistical analysis, finance and marketing development.

The Council has created eight task oriented working parties, co-ordinated by a small Secretariat, to explore options for the promotion and development of the sector in these areas.

These working parties report regularly to the Ministerial Council, which meets on a quarterly basis.

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1. Introduction

1.1 The Ministerial Council was established to promote greater cohesion within the Co-operative Sector.

1.2 The Working Parties of the Council are addressing two agendas.

1.2.1 One agenda considers how best to affect and improve the environment in which co-operatives must operate (legislation, education, research/statistics).

1.2.2 The second agenda explores opportunities for greater economic interaction (inter co-operative trading, marketing, trade fair, trade directory).

1.3 The co-operative sector is distinguished by its organisational framework which ensures mutual benefit, fairness and democracy. The co-operative principles ensure this occurs **within** the co-operatives themselves. The development of a co-operative sector offers the opportunity of applying these principles **between** co-operatives and extending this sense of economic and democratic fairness to a segment of our economy.

1.4 The objectives of greater economic cohesiveness within the co-operative sector are:

1.4.1 To increase the economic growth of the sector as a whole.

1.4.2 To increase the commercial activity of individual co-operatives.

1.4.3 To ensure that mutual trade is of mutual benefit.

1.4.4 To enable the sector to represent a 'natural' market for co-operative goods and services.

1.5 The objectives of economic growth for the sector can be achieved by:

1.5.1 An appropriate relationship between the co-operative sector and public sector.

1.5.2 Encouraging economic interaction between co-operatives.

1.5.3 Exploring international trade opportunities available through co-operative to co-operative trading.

2. Relationship between the Co-operative and the Public Sector

2.1 There are two major elements in this relationship:

2.1.1 The delivery of public sector objectives (and services) through co-operatives. For example, marketing of agricultural goods, delivery of childcare, creation of employment.

2.1.2 The procurement of co-operative goods and services by the NSW Government.

2.2 The objectives and structure of co-operatives are compatible with the Government's own objectives of meeting the economic, development and social service needs of the people of NSW. The draft policy being considered by the Council seeks recognition by the Government of this common ground. Such recognition should enable the co-operative sector and individual Government departments to identify areas of activity most suited to be carried out by the co-operatives sector.

2.3 The State Government operates a centralised purchasing function through its State Government Contracts Board.

An opportunity exists for co-operatives to be listed as prospective tenders for any of the Government's purchases.

3. Economic Interaction between Co-operatives

The co-operative sector represents a very significant market in its own right. The lack of cohesion within the sector is reflected by the lack of advantage taken by the sector of itself as a market.

The economic opportunities are represented by:

3.1 The provision of common services by either newly established co-operatives or joint ventures by a number of existing co-operatives.

3.2 A commitment to a policy of 'Buy co-operative' where price and quality are comparable.

3.3 The provision of membership lists for the direct marketing of co-operative goods and services.

4. Overseas Trade

In many overseas countries the co-operative sector represents a very diverse and sizeable market.

In many of these countries the philosophical commitment is reflected in their efforts to expand their co-operative economic activity within their own borders and beyond.

The opportunity exists to commence nation to nation dialogue between our respective co-operative movements. Only recently a representative from the Italian Co-operative movement visited Australia to explore the potential of inter co-op trading between Italy and Australia.

5. Not easy but worthwhile

The process will be neither quick nor easy. Success will be dependent on a more conscious identification of co-operatives with the sector as a whole. It will also depend on the achievement of results which are of mutual benefit to participants in the sector. The development of cohesion within the sector should bring with it improved benefits to individual co-operatives as well as a greater recognition of the role the sector can play in the economic and social life of NSW.

PROGRAMME OF ACTION ECONOMIC INTERACTION

1. State Government

1.1 Seek Government recognition of, and support for, the Council's Policy on Co-operatives.

1.2 Identify key Departments making use of the Co-operative Sector for delivery of public sector objectives (and services) such as childcare, employment generation etc. Seek policy by Departments in relation to service delivery by co-operatives.

1.3 Enable every co-operative wishing to do so, to be added to the tendering list for Government purchases.

2. Inter Co-operative Trading

2.1 Draft an appropriate 'Buy Co-operative' policy to be available for adoption by Boards of co-operatives.

2.2 Explore means by which co-operatives wishing to purchase co-operative goods and services can readily identify those goods and services.

2.3 Where a market for co-operative goods and services is of sufficient size, explore the establishment of second tier or other co-operative structures to satisfy the market.

2.4 Explore the use of a single co-operative logo to identify co-operative goods and services.

2.5 Explore means of developing direct marketing of co-operative goods and services within the sector.

2.6 That current economic interaction among co-operatives be identified so that the initiatives under consideration do not duplicate existing activity.

3. Overseas Trade

3.1 Explore the possibility of a co-operative trade mission to countries with well defined co-operative markets.

3.2 Draft trading terms which will establish 'preferred' trading status between Australian co-operatives and those overseas.